



## PRESS RELEASE

**CIRCLE: ANNUAL GENERAL MEETING APPROVES RESULTS FOR THE YEAR 2020 AND NOMINATES NEW BOARD OF DIRECTORS AND BOARD OF STATUTORY AUDITORS**

**EGM ALSO APPROVES RESERVED CAPITAL INCREASE FOR ITALIAN QUALIFIED AND FOREIGN INSTITUTIONAL INVESTORS, WITH THE EXCLUSION OF THE OPTION RIGHT PURSUANT TO ART. 2441, FOURTH PARAGRAPH, SECOND PART, OF THE ITALIAN CIVIL CODE, FOR A MAXIMUM AMOUNT OF EURO 1,910,000 INCLUDING SHARE PREMIUM**

**THE BOARD OF DIRECTORS DURING THE FOLLOWING MEETING HAS DETERMINED THE FINAL NUMBER OF SHARES EQUAL TO 556,380 AND FIXED THE PRICE PER SHARE AT EUR 3.42. THE BOARD OF DIRECTORS HAS ALSO RESOLVED TO ISSUE A FINAL NUMBER OF WARRANTS EQUAL TO 556,380.**

*Genoa, May 27<sup>th</sup>, 2021*

The ordinary Shareholders' Meeting ("GM") of **Circle S.p.A.**, ("**Circle**" or the "**Company**"), company heading the homonymous Group specialized in the analysis and development of automation and digitalization solutions for port and intermodal logistics sectors, listed on the AIM Italia market organized and managed by Borsa Italiana, was held today via video conference meeting under the chairmanship of Luca Abatello.

The GM has approved the Consolidated Financial Statements and the Draft Separate Financial Statements at December 31<sup>st</sup>, 2020.

### **Consolidated highlights at 31<sup>st</sup> December 2020**

CIRCLE Group recorded a **Value of Production** of 7.5 million Euro, + 23% compared to 6.1 million Euro at 31<sup>st</sup> December 2019. The growth of revenues from proprietary software, also offered as cloud-based SaaS (Software As A Service), confirmed the trend of progressive increase of 2019 with a +30% (+50% if only SaaS solutions are considered).

**ADJUSTED EBITDA** totalled 1.3 million Euro (1.5 million Euro at December 31<sup>st</sup> 2019) non



including non-recurrent operating costs for market development and internationalization of new software modules (arising also from the Pandemic which requested an even smarter approach to the market, new cooperation modalities and a drastic acceleration of the cloud mode) equal to about 0.6 million Euro.

**EBITDA** amounted to 0.7 million Euro (1.2 million Euro at December 31<sup>st</sup> 2019) resulting in a 9% EBITDA Margin.

**ADJUSTED EBIT** totalled 0.65 million Euro (0.9 million Euro at December 31<sup>st</sup> 2019), as a result of adjustments on adjusted EBITDA, after amortisations and depreciation of about 0.7 million Euro.

**EBIT** amounted to 0.04 million Euro (0.6 million Euro at December 31<sup>st</sup> 2019).

**Net Profit** totalled 0.03 million Euro (0.5 million Euro at December 31<sup>st</sup> 2019).

**Net Financial Position** (cash) amounted to 0.61 million Euro (0.33 million Euro at December 31<sup>st</sup> 2019) despite cash flows from investment for M&A, investment for product evolution as well as non-recurrent activities for market development and internationalization for a total amount exceeding 1.3 million Euro.

**Equity** stood at 4.4 million Euro (4.4 million Euro at December 31<sup>st</sup> 2019).

#### **Circle S.p.A. highlights at December 31<sup>st</sup> 2020**

Circle recorded a **Value of Production** of 4.1 million Euro, + 30% compared to 3.1 million Euro at 31<sup>st</sup> December 2019.

**ADJUSTED EBITDA** totalled 1.2 million Euro, +35% compared to 0.9 million Euro at December 31<sup>st</sup> 2019, non including non-recurrent operating costs for market development and internationalization of new software modules equal to about 0.3 million Euro, with **ADJUSTED EBITDA MARGIN** of about 30%.

**EBITDA** amounted to 0.94 million Euro (about 0.6 million Euro at December 31<sup>st</sup> 2019) resulting in a +63% and a 23% **EBITDA Margin**.

**ADJUSTED EBIT** totalled 0.85 million Euro (0.6 million Euro at December 31<sup>st</sup> 2019), as a result of adjustments on adjusted EBITDA, after amortisations and depreciation of about 0.37 million Euro.

**EBIT** amounted to 0.6 million Euro, more than doubled compared to 0.25 million Euro at



December 31<sup>st</sup> 2019.

**Net Profit** totalled 0.6 million Euro, +10% compared to 0.5 million Euro at December 31<sup>st</sup> 2019.

**Net Financial Position** (cash) amounted to 0.33 million Euro (0.1 million Euro at December 31<sup>st</sup> 2019) despite cash flows from investment for M&A, investment for product evolution as well as non-recurrent activities for market development and internationalization for a total amount exceeding 0.7 million Euro.

**Equity** stood at 4.6 million Euro (4.0 million Euro at December 31<sup>st</sup> 2019).

#### **Allocation of Net Profit**

The Board of Directors of Circle S.p.A. resolved to propose to the General Meeting to allocate the Net Profit for the year, totalling 577,976 Euro, to the retained earnings reserve.

#### **Appointment of the members of the Board of Directors for the period 2021-2023**

The GM appointed the new members of the Board of Directors for the period 2021-2023 and determined their emoluments.

The Shareholders' Meeting fixed the number of components in 3 and appointed Luca Abatello, Alexio Picco and Giorgio Finadri, this latter as independent director. They will remain in office until the date of approval of results for the year 2023.

Luca Abatello was appointed Chairman of the Board of Directors.

Giorgio Finadri, as an independent director, declared that he meets the independence requirements set forth under the Article 148, paragraph 3, of the Legislative Decree No. 58 of 24 February 1998, having also obtained a positive evaluation issued by the Nominated Adviser of the Company, pursuant to Article 6-bis of the AIM Italia Issuers' Regulation.

#### **Appointment of the members of the Board of Statutory Auditors for the period 2021-2023**

The GM appointed the new members of the Statutory Auditors, who will remain in office until the date of approval of results for the year 2023: Vincenzo Campo Antico, Alessandro Rebora, Silvio Sartorelli, these latter as effective statutory auditors and Simona Bacco and Andrea Chiodi as alternate auditors.

Vincenzo Campo Antico was appointed Chairman of the Board of Statutory Auditors.

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## **CAPITAL INCREASE**

The EGM approved a reserved capital increase for a maximum amount of Euro 1,910,000 including share premium, in cash and in divisible form, with the exclusion of the option right pursuant to art. 2441, fourth paragraph, second part, of the Italian Civil Code, by issuance of ordinary shares, without par value, having the same characteristics as those outstanding, with a final deadline for subscription set at June 30<sup>th</sup> 2021.

The investors to whom the proposed capital increase is reserved, already pre-identified, are both Italian qualified investors, with which to realize synergies also from the industrial point of view, both foreign institutional investors, with which to maximize synergies in the path of internationalization.

It should be noted that the aforementioned proposal for a capital increase with exclusion of pre-emptive right pursuant to Article 2441, paragraph 4, second part, of the Italian Civil Code, complies with the interim provision introduced by Law No. 120 of 11 September 2020 - which converted into law, with amendments, Decree No. 76 of 16 July 2020 on "*urgent measures for simplification and digital innovation*" (the so-called "*Simplification Decree*") - pursuant to which, until June 30<sup>th</sup> 2021, companies whose shares are traded on regulated markets or multilateral trading facilities may resolve capital increases in cash with the exclusion of pre-emptive rights within the limits of 20% of the pre-existing share capital, even the bylaws provides nothing in this respect, provided however that the shares value is consistent with the market value and this can be confirmed in a specific report issued by an auditor or auditing firm.

The EGM also approved to issue warrants to be assigned, at a ratio of 1 warrant for every 1 ordinary share, to all ordinary shares of the Company issued in the capital increase context, which will be not listed and traded on AIM Italia or any other regulated market or multilateral trading facilities.

To service the warrants, the EGM further resolved a capital increase for a maximum nominal value of € 1,863.873, with no share premium, through the issue of ordinary shares with no par value, with regular dividend rights, to be reserved exclusively for the exercise of the warrants by their respective holders.

The warrants will therefore be exercised after 3 (three) years from the date of issue, according to an exercise ratio of 1 new Circle S.p.A. share, with the same characteristics as those outstanding, for every 20 warrants held, at a strike price equal to the current accounting par value of Circle shares as of such capital increase resolution date (i.e. Eur 0.067).

The EGM has resolved to delegate to the Board of Directors, as it is normal practice for this kind of transaction, the power to set, within the timeframe and in the manner established by the Shareholders' Meeting, the exact issuance and subscription price, with an indication of the relative share premium, as well as the final number of shares to be offered for subscription, in addition to the final number of warrant.

The Board of Directors, which met today following the Shareholders' Meeting, therefore resolved to:

- to issue n. 556,380 of ordinary Circle shares, without nominal value, to be offered for subscription in relation to the capital increase and to set the amount of the capital increase at Euro 1,902,819.60, of which Euro 37,277.46 shall be allocated to capital and Euro 1,865,542.14 to share premium;
- to set the subscription price of each share at € 3.42, being such price the higher between € 3.20 and the volume weighted average price of CIRCLE stock recorded on the AIM Italia during the 30 trading days prior to today's date, the date on which the price is determined, plus 10%;
- to issue 556,380 "Circle 2021-2024 warrants" to be assigned, according to the terms set forth under the Warrant Regulation, at a ratio of 1 Warrant for every 1 share issued by the Company at the date of the start of trading of the new shares issued and held by the shareholders.

The proceeds from the capital increase will be channeled to speed up the development plan according to the path of **“Connect 4 Agile Growth - 2024 Strategic Road Map”** (*please see press release dated 30<sup>th</sup> November 2020 and “Circle Investor Day - Investor Industrial 2024 Presentation - 2020 12 01” presentation at “Presentations and Researches” section at <https://www.circltouch.eu/investor-relations>*), focused on **four strategic guidelines**: product evolution of Milos®, MasterSped® and Sinfomar® consistent with their specific Road Maps, and of new “federative” services; EU services evolution, with particular regard to opportunities related to Next Generation EU; geographical expansion in target markets; pursuit of projects and strategic operations like “systematic M&As” to acquire

complementary services or to penetrate markets on which the Group's development strategy is focused.

**ACG Advisors** acts as *sole bookrunner* of the Placement, **LCA Studio Legale** acts as Issuer's legal advisor in the context of the transaction, while **Studio Palma Dottori Commercialisti e Associati** acts as tax advisor.

## AMENDMENTS TO THE CURRENT COMPANY BYLAWS

The EGM also approved a plurality of amendments to the current Company bylaws required to:

- comply with new provisions set by Borsa Italiana concerning the amendments to AIM Italia Issuers Regulation.
- improve current wording of the bylaws. For more information on the proposed amendments to the bylaws, please refer to the report on each of the items on the agenda, which will be posted and made available under applicable laws and regulations.

More in particular, the following articles 5, 10, 11, 12, 13, 16, 17, 18, 22, 25 have been modified and integrated as well as the new article 27 has been introduced in the bylaws.

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## DOCUMENTATION

The documents related to the GM will be made publicly available on the website [www.circletouch.eu](http://www.circletouch.eu) in the Investor Relations section as required by applicable laws.

*This press release is available at [www.circletouch.eu](http://www.circletouch.eu) in the Investor Relations section and [www.linfo.it](http://www.linfo.it).*

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*Established in Genoa in June 2012, **Circle S.p.A.** is the Innovative SME heading **CIRCLE Group**, specialized in the analysis and development of **innovation and digitalization solutions for the port and intermodal logistics sectors**.*

*Besides Circle, belong to the Group software houses **Info.era** and **Progetto Adele**, purchased respectively at the end of 2017 and in July 2019.*

*Synergies between Circle, Info.era and Progetto Adele allowed the Group to expand the portfolio of solutions offered in the fields of IoT, Optimisation, DigitalTwin, BigData and ProcessAutomation, and to strengthen its software products: **Milos®** - the suite for all players of intermodal logistics such as*



*inland terminals, port terminals, ports, MTOs and shipping agencies, **Master SPED®** and **Master TRADE®** solutions - respectively dedicated to shipping and logistics, and to commerce and industry. Lastly, with **Circle Connecting EU**, Circle supports Public Entities and Companies by identifying their positioning at European level (**EU Branding**) and funding opportunities (**Project Anticipation**). The joint venture agreement, announced on November 30<sup>th</sup>, 2020 with **Magellan**, Portuguese entity delivering advocacy services towards the European Institutions, will enable Circle to expand its international geography in the Iberian Peninsula, strengthen its presence in Brussels and take maximum advantages from opportunities related to **Next Generation EU Recovery Fund**. From October 26<sup>th</sup>, 2018 **Circle is listed on the AIM Italia market of Borsa Italiana** (alphanumeric code: CIRC; ISIN code for ordinary shares: IT. 0005344996).*

### **For further information**

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